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INLAND WATER TRANSPORTATION

P10-630

HEARINGS

ON THE SUBJECT
OF

INLAND WATER TRANSPORTATION ON THE MISSISSIPPI,
MISSOURI, AND OHIO RIVERS, THE BLACK WARRIOR-
WARRIOR-TOMBIGBEE RIVER SYSTEM, ALABAMA,
AND THE NEW YORK STATE BARGE CANAL.

HELD BEFORE THE

COMMITTEE ON RIVERS AND HARBORS

HOUSE OF REPRESENTATIVES

SIXTY-FIFTH CONGRESS

CONSISTING OF

JOHN H. SMALL, North Carolina, *Chairman*.

CHARLES F. BOOHER, Missouri.
THOMAS GALLAGHER, Illinois.
THOMAS J. SCULLY, New Jersey.
SAMUEL M. TAYLOR, Arkansas.
H. GARLAND DUPRE, Louisiana.
MARTIN DIES, Texas.
OSCAR L. GRAY, Alabama.
GEORGE K. DENTON, Indiana.
HUBERT F. FISHER, Tennessee.
CLARENCE F. LEA, California.
WILLIAM E. CLEARY, New York.

CHARLES A. KENNEDY, Iowa.
ROBERT M. SWITZER, Ohio.
JAMES A. FREAR, Wisconsin.
DOW H. DRUKKER, New Jersey.
PETER E. COSTELLO, Pennsylvania.
S. WALLACE DEMPSEY, New York.
HENRY I. EMERSON, Ohio.
HENRY Z. OSBORNE, California.
RICHARD P. FREEMAN, Connecticut.

SAMUEL S. MANN, *Clerk*.
JOSEPH H. MCGANN, *Assistant Clerk*.

DECEMBER 13, 1918



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INLAND WATER TRANSPORTATION.

COMMITTEE ON RIVERS AND HARBORS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., December 13, 1918.

The committee met at 10.30 o'clock a. m., Hon. John H. Small (chairman) presiding.

The CHAIRMAN. The gentlemen of the committee will remember as to the Mississippi River, between the Ohio and the Missouri, it was understood that the committee desired additional evidence as to the commerce on that river, both existing and prospective, and it was suggested that Mr. Tomlinson could furnish us some information. Mr. Tomlinson is present this morning, by request, and we would be very glad to hear from him now, briefly.

STATEMENT OF MR. G. A. TOMLINSON, DIRECTOR OF THE DIVISION OF INLAND WATERWAYS, UNITED STATES RAILROAD ADMINISTRATION.

The CHAIRMAN. Mr. Tomlinson is director of the Division of Inland Waterways of the United States Railroad Administration and, I understand, assistant to the Director General as regards waterways.

Mr. Tomlinson, we are considering the Mississippi River between the Ohio and Missouri Rivers, and the committee desires all the available information they can secure regarding the existing and prospective commerce on the lower Mississippi. Will you kindly state what activities are in progress with regard to traffic on the lower Mississippi?

Mr. TOMLINSON. The Railroad Administration during the past season has purchased 2 steamers and 9 barges from the Kansas City & Missouri River Navigation Co., has leased 2 towboats from the St. Louis district of the engineering department and 20 steel barges. It has also leased 1 towboat from a civilian. This fleet is now operating, consisting of 5 towboats and 29 barges, between St. Louis and New Orleans and furnishing a weekly service.

There is now before the Railroad Administration, on my recommendation, a proposition to build 6 steel towboats of large horsepower (of 1,800 horsepower each) and 40 steel barges. Contracts for the towboats have been let. The contracts for the 40 barges are about to be let.

There is naturally some consideration being given now to the fact that the war has terminated and that the life of the Railroad Administration is unsettled. I suppose you are all aware of the fact that the Government, under the direction of the President, provided for the construction of 4 steel towboats and 19 steel barges to trade

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between St. Louis and St. Paul, carrying ore southbound from the Minnesota fields and coal northbound from the Illinois fields. If all of these barges are completed, the greatest activity on the Mississippi River will naturally be between the mouth of the Missouri and the Ohio.

Mr. KENNEDY. Are these boats on the lower river, from St. Louis up, carrying general commerce?

Mr. TOMLINSON. Yes, sir; they carry general commerce. The joint tariffs of the Railroad Administration have just been promulgated. It is a rather complicated process preparing those tariffs, so that at the present time the tonnage has been limited to the river bank. The activity has been mostly in grain southbound with mixed cargoes northbound. As soon as those joint tariffs are promulgated the Mississippi section of this division will be able to reach back into the States contiguous to the river banks.

Mr. KENNEDY. One reason why the committee wanted additional information was that the amount asked for maintenance on that reach of the river between the mouth of the Missouri and the mouth of the Ohio, was about twice as much as it has been in the past, and we wanted the information as to commerce that was on the river and was expected in the near future.

Mr. TOMLINSON. The appropriations already made will amount to more than ten millions for floating property on that section.

Mr. DEMPSEY. How much tonnage do you figure you are going to carry?

Mr. TOMLINSON. I do not feel competent to forecast that.

Mr. DEMPSEY. I mean the capacity of your boats; I did not mean what you were going to carry, only the capacity of the boats.

Mr. TOMLINSON. The barges are about 2,000 tons, drawing 8 feet. In other words, the new construction for the lower river would be 80,000 tons a trip. I am not so well informed about the construction for the upper river, because the work has not been placed under the division of inland waterways. The appropriation, I understand, was under the direct action of the President and the construction is being conducted by the War Department.

Mr. DEMPSEY. I would like, Mr. Chairman, to ask Mr. Tomlinson about an entirely different matter when they have finished with this.

Mr. OSBORNE. When did this service commence?

Mr. TOMLINSON. The 28th of September last.

The CHAIRMAN. I had the pleasure of writing a letter to Mr. M. J. Sanders, who, I believe, is the Federal manager.

Mr. TOMLINSON. Of the Mississippi section; yes.

The CHAIRMAN. On the lower Mississippi section. I suggested to him that he be as active as his time would permit in urging upon the cities and towns on the Mississippi between St. Louis and New Orleans the construction of adequate water terminals, and he replied that he had already been engaged in that activity and proposed to continue. Have you any present information as to the condition of terminals in the several cities and towns on the Mississippi River between St. Louis and New Orleans, or any prospective activity in their construction?

Mr. TOMLINSON. The prospective activity exists in nearly all of the larger river towns. Memphis is quite active at the present time,

and Mr. Sanders has just left here to make a tour of the river and endeavor to stimulate interest. Of course, the terminals at St. Louis and East St. Louis are or will be adequate immediately. The one in St. Louis is not completed; the one at East St. Louis is very well adapted for the needs of our service, and, as everyone knows, New Orleans, with some additions in the methods of handling, will be one of the best and most modern of our ports.

The CHAIRMAN. I understand you to say that the water terminal at East St. Louis is completed?

Mr. TOMLINSON. We are using that now. The Railroad Administration, I might say—that is, part of the barges from the Kansas City & Missouri Navigation Co.—are using that now rather more than on the St. Louis side.

Mr. OSBORNE. I notice, Mr. Chairman, that the present tonnage of that project is 298,000. I would like to ask Mr. Tomlinson when this new barge line went into operation?

Mr. TOMLINSON. September 28 was the first sailing from St. Louis.

Mr. OSBORNE. So that none of that is included here?

Mr. TOMLINSON. No, sir.

Mr. OSBORNE. And I presume that will add considerable to this total tonnage given here?

Mr. TOMLINSON. Yes, sir. The weekly southbound, offhand—I should like an opportunity of giving that accurately—I should say would be 4,000 or 5,000 tons when we operate capacity. I refer to the present fleet, owned and leased, and not including the barges we are having constructed, the 6 steel steamers and 40 barges.

Mr. OSBORNE. That would be additional to this present tonnage?

Mr. TOMLINSON. Yes, sir.

The CHAIRMAN. I would say to Mr. Osborne that the commerce on this section of the Mississippi which he was quoting was for the calendar year 1917.

Mr. OSBORNE. Yes.

The CHAIRMAN. While we are on this, I will read to the committee, and suggest it be made a part of the record, a letter from Gen. Bixby, who was, in the past and may be still so far as I am advised, president of the Mississippi River Commission. The letter is addressed to the chairman, dated November 7. It says:

Referring to past correspondence or conversation concerning development of commerce on the Mississippi River, I inclose you herewith a brief statement as to new developments on the river, by which a both-ways transportation is being established, with coal downstream and aluminum ore upstream.

The statement inclosed reads:

Within the last few weeks an arrangement has been made by the Pittsburgh Coal Co. with the Southern Coal, Coke & Mining Co., of St. Louis, by which the latter will take over the Memphis, Baton Rouge, and Plaquemine branches of the former; and a contract for 10 years has been closed with the Aluminum Ore Co., whereby the barges of the latter, formerly sent downstream empty, will now be sent downstream loaded with Illinois coal from the large mining properties of the Southern Coal, Coke & Mining Co. By this arrangement a both-ways barge transportation service will be permanently established, carrying Illinois coal downstream to Southern States and aluminum ore upstream from Southern States to factories in Northern States.

As a start, the Southern Coal, Coke & Mining Co. expect to send downstream 100,000 tons of coal annually for distribution through the Memphis territory and to railroads and general trade on both banks of the Mississippi. At present this company has its own river tipple at East St. Louis for the loading of

coal, and they will utilize the old Pittsburgh Coal Co. elevator at Memphis to unload the coal and shift it to the upper levels of the city of Memphis; and they will also be able to make use of the Aluminum Ore Co. unloading bridge on the Arkansas side of the Mississippi immediately below Memphis, by which coal can be unloaded direct from the river craft to railroad cars and delivered to all the railroads on the west bank of the Mississippi. Later arrangements are expected to be made for sending these loaded coal barges farther down the Mississippi, to Baton Rouge and Plaquemine, from which it can be distributed by rail to inland points on both banks of the river, utilizing the empty barges on their way upstream to take care of intermediate trade.

The State of Illinois has an almost unlimited supply of coal within easy railroad access to the St. Louis terminal, and the United States Fuel Administration allows the assigning of the Illinois coal into Memphis and the lower Mississippi.

Such arrangement for sending Illinois coal down the Mississippi is exceedingly fortunate, especially at the present time when Pittsburgh and the upper Ohio River territory is practically monopolizing all spare coal of western Pennsylvania and eastern Kentucky; and the new both-ways ore transportation barge service thus established starts under conditions which give every prospect of permanency and profit to all concerned.

WM. H. BIXBY,
President Mississippi River Commission.

Now, Mr. Dempsey, unless some other member of the committee has some question to ask about the Mississippi, you may proceed.

MR. DEMPSEY. Mr. Tomlinson, the Federal Government took over the Erie Canal, didn't it?

MR. TOMLINSON. No, sir.

MR. DEMPSEY. I thought they took over the management of the running of the Erie Canal at one time?

MR. TOMLINSON. No, sir. The Federal Government leased power boats and barges and let barge contracts for additional barges to be operated on the New York Barge Canal.

MR. DEMPSEY. And the Government did not assume to do anything except undertake the construction of some barges to be operated on the canal?

MR. TOMLINSON. The Railroad Administration you mean, Mr. Dempsey?

MR. DEMPSEY. Yes.

MR. TOMLINSON. The Railroad Administration's functions are only those of an individual on the New York Barge Canal. We are simply operating a fleet of vessels on the canal.

MR. DEMPSEY. Are the vessels they operate those simply which they have constructed, or did they purchase vessels?

MR. TOMLINSON. They have purchased only three vessels at the present time. They leased the existing facilities of the old type of Erie Canal boats. That is the only type there is on the canal.

MR. DEMPSEY. Then they have simply leased existing boats; they did not construct any new boats?

MR. TOMLINSON. They are constructing new barges. We have had eight of them delivered to us now, within the last 30 days.

MR. DEMPSEY. What is the type of boat which they are constructing?

MR. TOMLINSON. It is a 650-ton type.

MR. DEMPSEY. What is the size of that?

MR. TOMLINSON. 150 by 22 by 12.

MR. DEMPSEY. By "six hundred and fifty" you mean 650 tons?

MR. TOMLINSON. Six hundred and fifty tons dead-weight, sir.

MR. DEMPSEY. You say eight of those are about ready for delivery?

Mr. TOMLINSON. They have been delivered.

Mr. DEMPSEY. And how many have they contracted for?

Mr. TOMLINSON. Seventy-five, of all kinds. I might say, in qualification of my statement, that last spring three wooden boats of 500 tons being built at Clayton, N. Y., were purchased. The builders had been unable to sell them, and we purchased those three barges. They were completed during the summer.

Mr. DEMPSEY. Those are wooden barges?

Mr. TOMLINSON. Yes, sir.

Mr. DEMPSEY. And the other barges are steel barges?

Mr. TOMLINSON. Fifty-one are steel and twenty-one are concrete.

Mr. DEMPSEY. How many barges of the type that you describe could be operated with advantage on the Erie Canal? By that I do not mean how much the traffic demands, but I mean how many could be operated without congestion of navigation?

Mr. TOMLINSON. You mean on the main branch of the canal between Buffalo and Albany?

Mr. DEMPSEY. I mean from Buffalo to Albany, N. Y.?

Mr. TOMLINSON. Primarily it would depend upon the size of the ship. The larger the ship, the more the difficulties of navigation.

Mr. DEMPSEY. I mean take the type of ship you are talking about—of 650 tons.

Mr. TOMLINSON. I should say, offhand, Mr. Dempsey, about 1,000.

Mr. DEMPSEY. About 1,000?

Mr. TOMLINSON. That is rather a hard question to answer without giving any thought to it.

Mr. DEMPSEY. I am only trying to get it approximately.

Mr. TOMLINSON. Yes, sir.

Mr. CLEARY. I guess you could run two or three thousand if you had them?

Mr. TOMLINSON. I hope so.

Mr. DEMPSEY. You have not had any delivered as yet?

Mr. TOMLINSON. Yes, sir; eight.

Mr. DEMPSEY. How long ago were they delivered?

Mr. TOMLINSON. During the last 30 days.

Mr. DEMPSEY. So that you have not had any experience in navigating them?

Mr. TOMLINSON. No, sir. So far as the steel tonnage is concerned, our priorities were withdrawn in July on account of the war situation.

Mr. DEMPSEY. About when do you expect the balance of the order will be delivered?

Mr. TOMLINSON. The steel boats will all be completed during the first part of February, I should say.

Mr. DEMPSEY. And has the Railroad Administration made any plan for connection with railroads at the terminals at the various points along the canal?

Mr. TOMLINSON. At Buffalo, N. Y., they are now putting a side-track into the new terminal. You understand the new terminal is not completed. Also at Troy, N. Y., connection was made last summer. Generally speaking, no connections have been made.

Mr. DEMPSEY. Where those two connections have been made, have they been made at the expense of the Government or was it a State expenditure?

Mr. TOMLINSON. I understand, sir, at the expense of the railroad corporation.

Mr. DEMPSEY. I see.

Mr. TOMLINSON. So far as the one at Troy is concerned, I have direct knowledge of that; the payment has not been made, unless recently. It is only a slight matter anyway—about 100 feet of siding.

Mr. DEMPSEY. Do you know what effort has been made by anyone other than the United States Government to furnish barges for the Erie Canal?

Mr. TOMLINSON. No building has been begun, so far as I know of my actual knowledge. There are a great many transportation firms incorporated at Albany, but there has been no actual construction of barges.

Mr. DEMPSEY. Wasn't there an impression derived from some action—I do not know what—that the Government had taken over the exclusive supervision of the canal?

Mr. TOMLINSON. Yes, sir; it was so published in the New York newspapers.

Mr. DEMPSEY. And that private concerns or corporations or persons other than the United States Government would not have any right to operate?

Mr. TOMLINSON. Yes, sir; it was so published and was denied by me in the Associated Press during May; I do not recall the date. And it was also officially denied by the Director General when a conference of canal advocates was held in Albany, I think on the 4th of June. I then submitted to that conference a telegram from the Director General defining exactly his attitude.

Mr. DEMPSEY. Is there any plan to enlarge this building scheme now that the war necessities of the Government have ceased?

Mr. TOMLINSON. I have a recommendation for additional tonnage with the Director General.

Mr. DEMPSEY. And what is that recommendation, if you are at liberty to state?

Mr. TOMLINSON. I have no hesitation in saying it contemplated the construction of some steamers to take care of our present fleet of barges. We found it very unsatisfactory to operate those barges with the present old barges with tugs.

Mr. DEMPSEY. And that recommendation, I suppose, would cover simply the barges which are in process of construction?

Mr. TOMLINSON. It is to provide particularly for these barges; yes, sir.

Mr. DEMPSEY. One steamer would carry how many of those barges?

Mr. TOMLINSON. Those barges are predicated on four vessels to a lock. It would be one steamer and three barges. I might say, Mr. Dempsey, in explanation of the dimensions of these barges, that they are the limit of size to lock four at a time. It was the size recommended by the superintendent of public works of the State of New York and the chief engineers. We also had to consider, so far as New York Harbor was concerned, the limitation of the piers and bulkheads.

Mr. DEMPSEY. Is there any recommendation at the present time for the construction of additional barges for increasing the fleet beyond 95 barges?

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Mr. TOMLINSON. I have submitted nothing additional.

Mr. DEMPSEY. There is not any question, is there, in the minds of the Railroad Administration, that there is traffic on the Erie Canal for the number of barges which could be used without congestion? Coal, lumber, and all kinds of commodities?

Mr. TOMLINSON. No question in the minds of the Railroad Administration?

Mr. DEMPSEY. Yes. I say, there is no doubt that you would get the traffic if you had the boats to carry it, to the extent the barge canal will convey it.

Mr. TOMLINSON. My personal view of it? I would not feel competent to express the view of the other directors.

Mr. CLEARY. Isn't it a fact that would depend on the rate? As I understand it, Mr. Tomlinson, you made a rate, didn't you?

Mr. TOMLINSON. Yes, sir.

Mr. CLEARY. A regular rate through? Of course, that was against all the practice on the canal. I was in it a great many years, 30 years, and for 10 years I solicited freight myself. And I know to get freight down the canal, you had to go away below the rail rate. That is the reason you did not get much; you were so near the rail rate it was no use to bother with the canal.

Mr. TOMLINSON. I might say, Mr. Cleary, in that connection, the all-rail rate was established when we began operations in May. On the 25th of June there was a 20 per cent differential promulgated in respect to intrastate traffic and from 10 to 4 on interstate. That is the present differential.

Mr. BOOHER. What difference did you make? Following the idea Mr. Cleary suggested, what was the difference in rate between rail and canal to Buffalo, N. Y.?

Mr. TOMLINSON. It is as I just stated.

Mr. BOOHER. Do you know what the rate had been for a period of years, say 10 or 15, on the canal?

Mr. TOMLINSON. During the last 10 or 15 years there has not been much activity on the canal. In fact, there were no through rates, to my knowledge. I am talking about joint rates, now. The individual could put in any rate he chose and he can do so to-day. We have had only about one-quarter of the units on the canal.

Mr. BOOHER. Do you get traffic enough to employ all the boats you have? Traffic enough to keep them constantly employed?

Mr. TOMLINSON. No, sir.

Mr. BOOHER. Was there inquiry made to ascertain whether that was due to the lack of materials to be transported, or due to the fact that the rate was high?

Mr. TOMLINSON. The largest east-bound tonnage on the New York Barge Canal will be grain from the Northwest and West. When we opened this spring we found there was no grain available. As you know, the crop of 1917 in the Northwest was practically a failure. Buffalo is its greatest market, and no grain arrived in Buffalo from the time the first barge of our fleet arrived in New York until late in August. We were absolutely without the normal tonnage that might be expected. Further, attempting to answer your question, I should say the rate that should prevail on the New York Barge Canal, the differential, would depend on the canal itself and

the facilities. We were promised a 12-foot waterway and we found 7 in the spring, and as late as this fall we were striking bottom at 8½ feet.

Mr. CLEARY. Years ago, before there was any more than 6 feet in the canal—in fact, I guess there is not much more yet—we operated as many as 5,000 boats at one time, and we carried millions and millions of tons every year. And there was lots of business, because there was that competition of low charges with the railroads. I have carried hundreds of thousands of tons from New York to Chicago for \$1.50 a ton; and you charge more than that from New York to Buffalo. That is the reason you did not get the freight, because when you were operating it was not a free waterway; it was a waterway more in connection with the railroads, for the purpose of making money for the railroads, and you did not allow any ship freedom in the canal; that was the reason. If the canal had been kept free, as the State operated it, and allowed the boatmen to carry at whatever rate they wanted to carry, you would have a good deal of the freight running on the canal. I used to know about it, and you, of course, have been down here and you have had so many other things to do, but when I had to do with the canal, I would know the day they left Buffalo and the day they left Syracuse, and the day they got in, and I would go to the sugar men and make a special low rate for that steamboat coming down with a fleet of barges, and, of course, I got the freight, because I would make the rate low enough to get it. I am not criticizing you, but just explaining the reason why you did not get enough freight. Now, at Buffalo, the boats would accumulate in Buffalo, and I have seen them carry for less than 2 cents a bushel on the old-fashioned boats. That is the reason we got it, because we made the rates so low, both going and coming, that we compelled the business to go to the boats. But, of course, when the Government took it over it charged so high a rate, equaling the rail rate in nearly everything, that those boats did not get much and the canal did not get much, and never will get much under that kind of management.

Mr. TOMLINSON. You realize—I do not know it is within my province to engage in a discussion here, but I feel I ought to defend the administration—you realize no matter how active the railroad administration boats may or may not have been, they constitute only about one-quarter of the fleet on the New York Barge Canal to-day?

Mr. CLEARY. You did not have many, that is true.

Mr. DEMPSEY. I suppose, Mr. Tomlinson, what Mr. Cleary means is this, that the rate on the barge canal should be fixed with reference to the fact that it is an artificial waterway, which has been constructed by the State, at State expense, for the benefit of the citizens and so you do not have to take into consideration a return upon the capital; whereas a railroad has to be run with reference to a return upon the cost of construction, as well as the cost of operation. I suppose that is what Mr. Cleary had in mind, wasn't it?

Mr. CLEARY. Yes; but here is the thing about the tonnage: It was free and those fellows could carry as cheap as they wanted to. I have had a fleet of boats coming into New York and carry a thousand tons and the captain would say, "Can't you get something quick?" and I said, "Yes; I guess so," and I went out to the plaster people at

Staten Island or Newburgh (I have shipped hundreds of thousands of tons for them) and said, "Can't you load four or five boats for me next week, or in the next two or three days." They would say, "Well, what rate will you make?" "Well, so and so." "Can't you make it a little lower?" And we would get anything we could, because the captain was anxious to get a load. And that is what made the business on the canal—the low freights.

Mr. DEMPSEY. What would you say, Mr. Tomlinson, about this: Would it be practicable for the Railroad Administration, so far as as the Federal fleet of boats on the Erie Canal is concerned, to have one or more traffic solicitors who would be given something of a discretion as to rates, within the same limits that private owners and operators of boats on the canal operate them?

Mr. TOMLINSON. You mean the railroad arbitraries?

Mr. DEMPSEY. Yes.

Mr. TOMLINSON. We have that discretion to-day. I may not be as familiar with the history of the New York Barge Canal as Congressman Cleary; of course, I am not; but I am quite as familiar with transportation by water as most people of my years, because I have been in it all of my life. And I should say the basis of the differential should be the basis of the cost of carrying the commodity. I do not know to-day what it costs to carry any commodity on the New York Barge Canal. It is not completed, the terminals are not completed, and with the exception of the two cases, there is no interchange track between the railroads and the water terminals on the canal.

The CHAIRMAN. There are no what?

Mr. TOMLINSON. There are no interchange tracks, excepting in Buffalo and Troy. It is impossible to enter Rochester, the second largest port via the new canal, and the entrance to Syracuse, the third largest port, is made most difficult because of the fact that the waters of the harbor are so polluted we have been obliged to carry water in barrels for steam purposes while navigating on Onondaga Lake. I am not presuming to criticize the canal administration. I think those in charge have done wonderfully well, but the canal is not yet finished.

Mr. CLEARY. As to the cost of carrying. There were times in mid-summer when the boats would carry at what would be considered, perhaps, below cost, if you took into consideration the value of the plant and all that. But in the fall, when there was a rush of business, we would get extra freights, so that in the fall of the year the boatman, if he had not made enough in June, July, and August, figured if he made \$1,000 for the season, net, he did a good business. And it was free for him and he wanted to keep his boats running; and even when there was nothing much made during the summer months, in the fall, when there was a rush of business, then they made enough to cover that.

Mr. TOMLINSON. Perhaps that explains the reason, Mr. Cleary, why in last April the Director General found no boats being built on the New York Barge Canal; the competition was so rigid there was no incentive to build boats.

Mr. CLEARY. The reason for the stoppage of the building of boats was the changing of the canal. Take the old canal, 57 feet wide and

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8 feet deep. With boats operating 97 feet long and 9 feet deep, they used to carry 250 tons at one load, and there were dry docks all along the canal building boats all the time; but just as soon as they promised to make this a barge canal, all these industries stopped building boats, for the reason they did not know what class of boat to build. And the old canal was like the Mississippi River, it was entirely free for anyone to navigate as he saw fit, and, of course, business on the canal developed and steadily developed until the time came when the State enlarged it to make a new kind of waterway. Then the building stopped. But it had been begun, and there were two men building boats there even last spring, and I wrote you two or three letters on the subject and stated the consumption of lumber by the Government had stopped those men, and the poor fellows, I remember, were in a hole, and I wrote and asked the Government if something could not be done to permit these men to build the boats. So that the time had not arrived to build these boats; that is all. The competitive system—I was in it all the time, and I know it is a good system. There were times we would run along and sometimes we would run for little or nothing; but we kept going, and then there was a demand for freight, and when the end of the year rolled around we had a profit. And that is the way with lake navigation where you have a railroad, something to compel certain freights, and then they have certain connections. In my years I had certain rates. I used to connect with an individual line of steamers and individual boats, and you remember every railroad had its office in New York. The New York Central, as you remember, had the Western Transit Co., and they owned the lake steamers—a subsidiary company of the New York Central. And sometimes they gave through rates, lake and rail, or rail and lake, and so on, when they were going beyond, and those railroad solicitors were all the time soliciting freight for the canal.

Mr. TOMLINSON. That is the condition existing to-day.

Mr. CLEARY. They don't—

Mr. TOMLINSON. I beg your pardon; I am speaking of the interchange of freight.

Mr. CLEARY. I am speaking of the condition of barge freight on the canal. There is not a derrick and dock on the New York Canal district now, and there is no way of getting the freight.

Mr. TOMLINSON. It seems to me that is one of the items of the cost of transportation.

Mr. KENNEDY. What is the loaded depth the canal carries?

Mr. TOMLINSON. They have promised 12 feet. That would bring the loading limit to about 11 feet.

Mr. LEA. You spoke of a differential from 4 to 10. What is meant by that? I am ignorant of those terms.

Mr. TOMLINSON. Most freight is classified until it becomes of such volume that it becomes commodity freight.

Mr. CLEARY. The most expensive you put in first class?

Mr. TOMLINSON. Yes; generally speaking.

Mr. CLEARY. And then when you get down to cement, asphalt, marble dust, and iron, that takes a commodity rate?

Mr. TOMLINSON. Copper is very valuable, the most valuable article transported on the Great Lakes, and yet it carries a commodity rate?

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Mr. CLEARY. It is not any more expensive to carry copper than it is to carry coal, except in loading. It comes in chunks, and I have put it on my boats and carried it for 25 cents a ton in New York Harbor. Whether you carry copper or coal, it is all the same.

Mr. DEMPSEY. You say the depth is to be 9 feet and you only have 6?

Mr. TOMLINSON. I say that the advertised depth is 12 feet.

Mr. DEMPSEY. What part of the project is completed?

Mr. TOMLINSON. Generally speaking, there is a 12-foot depth all along the canal, but at some places, at Rochester and near Syracuse, it is much less than that, which of course limits the whole operation.

Mr. DEMPSEY. Is there an effort being made to complete it at those two points?

Mr. TOMLINSON. Yes, sir.

Mr. DEMPSEY. Is this condition at Syracuse a condition they are attempting to remedy at all, the Solvay process defiling the lake and interfering with the use of the water?

Mr. TOMLINSON. No.

Mr. CLEARY. That is only navigation on the Onondaga Lake?

Mr. TOMLINSON. The canal in most instances avoids the large cities. To enter Syracuse from the main channel it is necessary to navigate Onondaga Lake and the connection is a matter of 10 or 12 miles.

Mr. DEMPSEY. What is your idea at Rochester and Syracuse of connecting with the city? Could that be done through a branch to the canal or should it be done by terminals and bringing the railroads down to the terminals?

Mr. TOMLINSON. I do not like to criticize the canal. I only wish to say that because of the fact that the canal does not generally traverse the manufacturing centers of the cities it is difficult to obtain tonnage at these ports. In Syracuse there is a controversy that has prevented a railroad from crossing a street and connecting with the terminal. Moreover, the vehicular highway between the terminal and the paved streets is almost impassible for trucks.

The CHAIRMAN. I understood you to say, Mr. Tomlinson, regarding the terminals, that of the terminals which had been constructed in the State of New York only two of them, Buffalo and Troy, were physically connected by rail with the railroad?

Mr. TOMLINSON. That is correct, sir.

The CHAIRMAN. Are any plans in prospect, or anything promised by the State, of connecting the other water terminals with the railroad?

Mr. TOMLINSON. I think they will all be done next year; that is the impression I get. Certainly the Railroad Administration is in sympathy with the plan.

The CHAIRMAN. Of course, no interchange of traffic is possible until those water terminals are physically connected with the railroads serving the city?

Mr. TOMLINSON. Our situation at Buffalo this last year was this: Not only was there no terminal or no warehouse where we could make an interchange, but we were obliged to rent a warehouse from the Erie Railroad, known as the Ganson Street Wharf, which cost \$18,500 for the season. In September a temporary warehouse was created on one of the terminal properties of the New York Barge

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Canal in Buffalo and connection is being made with the New York Central. But the grade itself is very difficult.

Mr. CLEARY. In my time it was nearly all direct connection. We either connected direct with the steamer line alongside or run alongside the railroad terminal, so that the boats always unloaded from the boats into the car or into the vessels. The bulk of the business of the Erie Canal always was through business. The local business was a small matter; that is, it used to be. It was made business from Chicago and all these points West and was got into the steamer and alongside the rail, and we had very little use for a warehouse, because the railroads took care of us. And that saved the handling of it in Buffalo.

Mr. DEMPSEY. Mr. Tomlinson, you have been connected with the canal there for a year past, and what I am anxious to do is to get suggestions as to what can be done to meet the present conditions and to utilize the barge canal, as nearly as possible, to its capacity and to make it as useful as possible. If you have any suggestions along that line, I would appreciate very much your giving them to us.

Mr. TOMLINSON. I do not want to make an abrupt answer or a discourteous answer, but my suggestion is that you should finish the canal first.

Mr. DEMPSEY. Is the State of New York proceeding expeditiously with that in mind?

Mr. TOMLINSON. Yes, sir; but they have met great difficulties during the past year on account of the inability to get steel for the terminals in New York City and Buffalo.

Mr. DEMPSEY. Of course, that difficulty is finished, and there is every prospect, as I understand you, it will be completed in the course of the coming season?

Mr. TOMLINSON. There will be no difficulty now in obtaining steel, as you know.

Mr. DEMPSEY. To meet these objections Mr. Cleary suggests, would it help to have traffic solicitors who would endeavor to make rates, who would have a discretion to make rates to attract business, a rate that would be lower than the rail rate—not be a competitive rate but a lower rate?

Mr. TOMLINSON. We have them now. We have one in your city whose name is Bernard.

Mr. DEMPSEY. And they have a discretion of that kind?

Mr. TOMLINSON. Yes, sir.

Mr. DEMPSEY. I suppose the idea of the Railroad Administration is to increase your fleet as you see a necessity for it, isn't it?

Mr. TOMLINSON. I should say the administration's idea was very much confused just now, Mr. Dempsey; they do not know where they are "at"; at least, I do not know where I am "at."

Mr. CLEARY. They do not know whether they will run the canal at all or not, I suppose?

Mr. TOMLINSON. It seems to me it is a very serious problem as to who will run the boats when the railroads are turned back.

Mr. CLEARY. There will be individuals to run the boats.

Mr. TOMLINSON. That is the usual result of the Government running a public utility.

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Mr. LEA. In a general way, can you state about what is the average difference in rates between rail and boat at the present time?

Mr. TOMLINSON. As I tried to explain, on New York State business the differential is 20 per cent. On the through business and classified freight the differential is from 10 to 4 cents.

Mr. CLEARY. What would you think of the idea of making the rates out of Buffalo ex-boat; that is, remove from the steamer and then let the canal carry it as cheap as it likes? That is what they always did, you know. Make your rate from Buffalo by rail as you do the rate from New York by rail?

Mr. TOMLINSON. The same opportunity presents itself to-day for 600 boats on the canal.

Mr. CLEARY. They can carry to Buffalo, but they can not quote a rate making canal rate low as possible and through accordingly low. I used to quote a rate to Chicago, Kansas City, and every place. They can not do that now, can they?

Mr. TOMLINSON. I don't know. There has been no such application made. I will give you my view. If a transportation concern applied to the Railroad Administration for through rates on the barge canal, and they were denied, the concern could apply to the Interstate Commerce Commission and get the privilege after satisfying the Interstate Commerce Commission they had sufficient responsibility and sufficient integrity to take advantage of those rates.

Mr. CLEARY. That is the trouble; there is no line running on that canal.

Mr. TOMLINSON. I know there are several lines.

Mr. CLEARY. But nobody owns any boats.

Mr. TOMLINSON. I know of one concern in New York that has the best fleet on the canal, as a matter of fact.

The CHAIRMAN. Is there any privately owned fleet of boats that has the right under the law to apply to the Interstate Commerce Commission?

Mr. TOMLINSON. Certainly, sir.

The CHAIRMAN. To make joint rates with the railroads?

Mr. TOMLINSON. Yes, sir; that is a matter of law.

Mr. DEMPSEY. Mr. Tomlinson, I do not know but you have covered what I am going to ask you, but I am not clear about it. Take a place like Tonawanda, or a place like Lockport, where we have terminals provided for, whether they are building or are to build terminals, is it contemplated that at places like that, as well as at large places like Rochester and Syracuse, there shall be railroad connections with the barge-canal terminals?

Mr. TOMLINSON. Yes, sir.

Mr. DEMPSEY. It is?

Mr. TOMLINSON. Yes, sir. You understand, Mr. Dempsey, that the relations between the railroads and the barge canal antedated the present Federal Railroad Administration.

Mr. DEMPSEY. Yes.

Mr. TOMLINSON. Some of those have been in process of negotiation with the corporations themselves and, in fact, with respect to the Troy connection, we did deal with the corporation to get that put in. I am speaking of the Boston & Maine connection direct.

Mr. DEMPSEY. You mean you dealt with something like a terminal railroad or a belt-line railroad, or something of that kind?

Mr. TOMLINSON. We dealt with the officials of the Boston & Maine Railroad.

Mr. DEMPSEY. And that work of connecting up the terminals you think will be undertaken this coming season?

Mr. TOMLINSON. I think so; at least, I hope so.

Mr. DEMPSEY. And do you know whether any effort is being made to secure the right-of-way for the railroads from their nearest point to the terminals, or not? That is a thing that would take some time.

Mr. TOMLINSON. In all cases?

Mr. DEMPSEY. I mean, generally speaking, whether there is being an effort made.

Mr. TOMLINSON. I do know Gen. Wotherspoon, the superintendent of public works, has been negotiating with all the railroads adjacent to the terminal, looking forward to the connections. I say that in the general sense I know it has been done.

Mr. DEMPSEY. What I mean is this: I imagine in nearly every case, in order to get connections, you will have to condemn part of the land?

Mr. TOMLINSON. Yes, sir.

Mr. DEMPSEY. And that is a slow process.

Mr. TOMLINSON. Yes, sir.

Mr. DEMPSEY. Because they will adjourn the case from time to time and it means months, even if you try to be expeditious; and if they are going to try to do that physical work of making the connections next year they ought to be doing the legal work of acquiring the rights of way now.

Mr. TOMLINSON. I understand that is being done now. That is the information I have from Gen. Wotherspoon. In fact all the important steps in that process have been performed.

Mr. DEMPSEY. Now, do you think there is anything the Rivers and Harbors Committee ought to do for the Erie Canal at the present time? Is there anything we ought to do in the way of appropriation; do they need anything?

Mr. TOMLINSON. The canal itself?

Mr. DEMPSEY. The canal, or anything in connection with the canal?

Mr. CLEARY. Buffalo Harbor is about all we could recommend, or Tonawanda.

Mr. TOMLINSON. I am not prepared to say. I do not know just what the relations of the Rivers and Harbors Committee would be in connection with a State-owned canal.

The CHAIRMAN. I may say this committee is taking care of terminals. We made a large improvement at Troy, improvements at Buffalo and other terminals.

Mr. DEMPSEY. Is there anything that ought to be done in connection with these terminals of which we have charge?

Mr. SWITZER. I do not understand we have anything to do with the terminals along the canal; only in connection with some other waterway.

Mr. DEMPSEY. I mean the harbors.

Mr. TOMLINSON. You have a Federal utility at Troy, N. Y., in connection with the locks. There is one lock that is a Government lock on the New York Barge system.

The CHAIRMAN. I may suggest to Mr. Dempsey that is a matter for the War Department.

Mr. DEMPSEY. I did not know but that Mr. Tomlinson might have something to suggest to the War Department, just to call their attention to something in a polite and affable way.

The CHAIRMAN. Mr. Gray, a member of the committee, representing the Mobile district, wants to ask you some questions.

Mr. GRAY. I want to know what the Government proposes to do with reference to developing traffic on the Warrior and Tombigbee Rivers?

Mr. TOMLINSON. The Railroad Administration has already purchased 6 steamers and towboats and 20 barges. The Director General is considering the question of building further utilities, or further ships, for that service. I went all over that about a month ago at the request of the Director General.

Mr. GRAY. You did go over that?

Mr. TOMLINSON. Yes; six weeks ago.

Mr. GRAY. Have you made a report of that, Mr. Tomlinson?

Mr. TOMLINSON. Yes, sir.

Mr. GRAY. Has it been printed or published?

Mr. TOMLINSON. No; I doubt whether it would be, because it is an interdepartmental report. I made the report to the Director General.

Mr. GRAY. I had not seen it, that is why I wanted to ask this question as to what extent the Government proposes to use this canalized river.

Mr. TOMLINSON. That is quite an extensive program I have recommended to the Director General.

Mr. GRAY. What is the amount of traffic you expect to handle over that river?

Mr. TOMLINSON. Southbound on the Warrior the traffic will be almost entirely coal. Northbound they hope to develop a large traffic in merchandise.

Mr. GRAY. What is your opinion as to the amount of coal that can be handled out of the Warrior if it is properly utilized and facilities are properly made for it?

Mr. TOMLINSON. The traffic ability of the Warrior is almost without limit.

Mr. GRAY. I did not catch that.

Mr. TOMLINSON. The ability of the Warrior River to transport traffic is practically without limit.

Mr. GRAY. What would you expect to carry in the empty barges up the river?

Mr. TOMLINSON. Largely mixed merchandise.

The CHAIRMAN. Are there any other questions, Mr. Gray?

Mr. GRAY. No; that is all.

Mr. SWITZER. Mr. Chairman, I came in late and I do not want to reopen anything, but I would like to ask Mr. Tomlinson some questions.

The CHAIRMAN. Yes. Mr. Tomlinson, I may say, was requested to come before us and state the activities on the Mississippi with reference to present and prospective commerce.

Mr. SWITZER. He has gone over that?

The CHAIRMAN. Yes.

Mr. SWITZER. Have you made any study of the traffic conditions on the Ohio River from Pittsburgh down, in connection with the Mississippi?

Mr. TOMLINSON. Personally, I have not made any studies. We have established an office at Cincinnati, Ohio, under our division, for that very purpose. We have all sorts of traffic data and the physical potentialities of the canal, and we are trying to get an intelligent and practical understanding of what should be done on that river. The improvements are not completed, of course.

Mr. SWITZER. Is it expected to undertake to connect up the water transportation facilities along the Ohio with those on the lower Mississippi, at the mouth or any place near the mouth of the Ohio River? Is there any scheme of that kind on foot?

Mr. TOMLINSON. That would depend on the life of the Railroad Administration, I think. Of course that would be ultimately what the present organization hopes to do.

Mr. SWITZER. The boats on the Mississippi are now being constructed under the Railroad Administration?

Mr. TOMLINSON. For the lower Mississippi, sir. For the upper Mississippi, as I understand, an appropriation was made directly by the President.

Mr. SWITZER. How much has been appropriated altogether?

Mr. TOMLINSON. I think it is \$3,600,000 for the upper Mississippi. What we recommended is an expenditure of something over \$6,000,000 for the lower Mississippi.

Mr. SWITZER. I presume you have stated as to when you expect to have some of these boats in operation?

Mr. TOMLINSON. Where, sir?

Mr. SWITZER. On the Mississippi.

Mr. TOMLINSON. Which section?

Mr. SWITZER. On both sections.

Mr. TOMLINSON. The construction program for the upper Mississippi, I tried to explain, is not under my jurisdiction; it is with the War Department.

Mr. SWITZER. You do not know when they will be ready on the lower Mississippi?

Mr. TOMLINSON. On the lower Mississippi, as I say, contracts have been completed for six steamers. They will be ready early next year, in six or seven months from now.

Mr. SWITZER. That is all.

The CHAIRMAN. We are very much obliged to you, Mr. Tomlinson. Gentlemen, you may recall that when we were considering the Missouri River from Kansas City to the mouth, some further evidence was desired as to the status of navigation there at the present time on that section of the river, and as to the prospect for further navigation and commerce. Mr. Walter S. Dickey, of Kansas City, who has been connected with the navigation of the fleet on the Missouri River, and who is familiar with the conditions there, is here this morning and we will be glad to hear from him.

Perhaps, Mr. Dickey, I might make this preliminary statement: The policy of the committee, as I understand, certainly of the chairman and some of the members of the committee, is to confine appropriations, either for maintenance or improvement of rivers, to those

rivers which are used for navigation and commerce. And when we came to the consideration of the Missouri River, from Kansas City to the mouth, it developed that a fleet of boats which had been in operation on that section of the river, primarily between Kansas City and St. Louis, on the Mississippi, had been withdrawn and either in whole or in part sold for operation on the lower Mississippi, between St. Louis and New Orleans, and that there was substantially no navigation and commerce at the present time on the Missouri between Kansas City and the mouth. And the committee desired evidence as to whether navigation on that section of the Missouri River would be resumed and efforts made to use the river for the purposes of water-borne commerce, and you were requested to appear before the committee in that connection.

STATEMENT OF MR. WALTER S. DICKEY, OF KANSAS CITY, MO.

Mr. DICKEY. Well, Mr. Chairman, I think most of the committee will remember that the Kansas City & Missouri River Navigation Co., has been operating on the Missouri River for eight or nine years a regular and continuous line between Kansas City and the mouth, and Kansas City to—

The CHAIRMAN. What connection did you have with the company?

Mr. DICKEY. President.

The CHAIRMAN. And you are still president of it?

Mr. DICKEY. Yes, sir. This company raised a million and a quarter by subscriptions by the people of Kansas City, manufacturers and merchants, in 1909 and 1910. This summer, when the emergency confronted the transportation facilities of the country, the people in St. Louis and in the Valley of the Mississippi below St. Louis and New Orleans, were very much exercised about getting boats on to the river, resulting in the Director General authorizing such work. Mr. Tomlinson, whom you have just heard, was named director of the division of inland waterways and Mr. Sanders, of New Orleans, whom I think most of you know, is Federal Director of the Mississippi waterways section. He began to see what he could do to get boats for immediate use on the lower Mississippi, under the war emergency that existed. He had a survey made not only through the Engineer Corps, but through all other available engineers, had listed to him the boats that could be had for immediate use—all realizing it would take some time to construct vessels; not so long to construct barges, but a very long time to construct the power boats. Mr. Sanders, in looking about for river craft, visited Kansas City in July and we had a meeting of the board of directors of our company. But before that visit he had reached the conclusion if we were going to get any immediate traffic on the river and get into operation this year, pending the 12 or 14 months it would take to build new power boats and barges, he would have to ask the Kansas City Company to let him have their fleet, and he did. It resulted in buying two power boats and nine barges of the Kansas City & Missouri River Navigation Co. by the Railroad Administration. That left our company with one large freight boat we had used in freighting on the Missouri River. The balance of the property was purchased by the Railroad Administration through Mr. Sanders, for use on the lower Mississippi and is now in use on the lower Mississippi by him and has been ever since he took it over. He took the property over in September.

The CHAIRMAN. Did you state how many steamers and barges your company owned?

Mr. DICKEY. Yes.

The CHAIRMAN. And how many were sold?

Mr. DICKEY. Yes. I stated to the committee when you were speaking to one of the members there, that he had picked out such of the craft we had that he thought he could make temporary use of on the Mississippi River and was at least available for work on the lower Mississippi—two power boats and nine barges—and asked us to sell him those.

Som negotiations were had between Mr. Sanders and the board of directors and myself, and a price was agreed upon and he recommended it to Washington. It was approved and the sale was made, and delivery of the boats was made in September. We have not been paid for them up to this time.

And all this question, Mr. Chairman, as to what might be the future action of Congress with regard to continuing the appropriations for the improvements and maintenance of the channel of the Missouri River was reviewed at that time. As you will remember, in 1909, when this company was formed and this agitation was on, the Kansas City people, through their Representatives and Senators from Missouri, and the business organizations, came down here and wanted to know if the river improvement would be a continued improvement and a minimum depth of 6 feet guaranteed or promised us by your committee and the Engineer Department. And after some very considerable discussion and various conferences and examinations and reports, two or three different times, that project was listed, as we believed, for \$20,000,000—\$2,000,000 a year for 10 years. And we went ahead and raised our money and bought the boats.

The improvement of the river for various reasons has not always kept pace with the \$2,000,000 a year, and there are still some very bad crossings and places that need attention and will have to have it. I think you have appropriated for that improvement all together between seven and nine millions. Not all of it has been spent, but nearly all. But the work has not progressed as fast as we hoped it would, and the channel at the low-water season now is difficult to negotiate and very shallow.

It is the intention of the company, when the improvement shall have proceeded (the war emergency is over and normal conditions prevail), to put that capital back into boat construction of a larger and more modern type to utilize the channel of the river. At the present time, since September, we have had no operation on the river. This season, however, because of the low water and ice, we would not be operating in any event. We usually closed about this time of the year—about the 1st of December.

The CHAIRMAN. Will you kindly state a little more fully, Mr. Dickey, the intentions of your company—

Mr. DICKEY. As I say, this matter was—

The CHAIRMAN (continuing). As to building another fleet of boats and resuming traffic.

Mr. DICKEY. Of course I am not authorized to bind the company in any sense, but at the directors' meeting, when Mr. Sanders approached us about the purchase of these boats, this whole question

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was reviewed, and those present at the meeting expressed to him the hope, the expectation, and the determination that if he took the craft, as soon as river improvements had continued to such a point as to make it desirable and advantageous to proceed, and after the war, it was the intention of the company to continue to operate and to reengage in freight traffic on the river with new boats.

Mr. KENNEDY. But you have no plans at present for providing a new fleet?

Mr. DICKEY. Oh, yes; we have plans.

Mr. KENNEDY. I mean you have taken no action?

Mr. DICKEY. No; we have let no contracts or anything of that kind. We could not get steel now if we wanted it, or at least we could not get even a promise of it until the last two or three days.

Mr. KENNEDY. As I recall, the manager of the company, who was before the committee last year, stated the line had been a losing proposition; is that correct?

Mr. DICKEY. The line has been a losing proposition; there is no water to make it profitable. When the channel is in that condition on account of lack of water, lack of improvements, we could only load to about one-half of our capacity.

Mr. LEA. Was there an abundance of freight, so far as your boats could handle it?

Mr. DICKEY. We always had full loads upstream; not always downstream. But in seasons when we had no water, on account of the movement of bulky commodities and we had downstream loads, we always did our best and had the best results.

Mr. LEA. How long would it take to rebuild those boats after the construction is determined upon?

Mr. DICKEY. So far as we are concerned the construction design is already made. We have had in our employ for several years a naval architect studying those things and making plans, and we have the plans, blue prints, and specifications, and it would take, as Mr. Tomlinson outlined to you a few moments ago, somewhere between 7 and 10 months to get power boats built. I think the time would be lessened now, but any time in the last three or four months that is about the best you could get in the way of a promise from the builders.

Mr. LEA. How did your rates compare with railrates between the main points?

Mr. DICKEY. For all the time we were in operation, for the eight or nine years, our rates uniformly were 20 per cent less than the rail rates, whatever it might be, and on all classes of commodities and on all quantities, car lots and less than car lots.

Mr. KENNEDY. In any event, you would not be able to operate a line of boats next season?

Mr. DICKEY. Unless we purchased some boats or got this equipment the Government has there and they got new equipment for the lower Mississippi. We have only one boat left, and Mr. Sanders did not think that of a type suitable to the lower Mississippi.

Mr. KENNEDY. You are not operating now, as I understand?

Mr. DICKEY. No; the season has closed now.

Mr. GRAY. Mr. Dickey, I understood you to say if the Government prepared the way, the freight is there and will go up that river?

Mr. DICKEY. Yes, sir; more than any one boat line could haul. If you had a 6-foot minimum depth assured on the river, 20 boats could

not haul the freight, if you accompanied it with a differential over the rail rates.

Mr. KENNEDY. I understood you to say you did not have full cargoes going down.

Mr. DICKEY. No; we can not take very much of a cargo in the present condition of the channel. We have always had full cargoes westbound, but only in certain seasons could we get eastbound tonnage.

Mr. KENNEDY. Would that indicate the tonnage was not there for you?

Mr. DICKEY. We can not take very much, to commence with, on account of the condition of the river.

Mr. KENNEDY. Why couldn't you take as much going down as you could coming up?

Mr. DICKEY. We have not been able to get it. I have stated frankly to you that the westbound merchandise always filled the boats to capacity; but we have not always been able to get full loads eastbound.

Mr. KENNEDY. That is what prompted me to ask the question. I understood you to say a moment ago, in answer to a question by Mr. Gray, that you could get enough for 20 boats if the river was improved.

Mr. DICKEY. I reiterate, if the proposed channel was completed to the project depth, 6 feet minimum depth at low water, you could operate 20 boats on the river and keep them occupied, using that differential I spoke of.

Mr. OSBORNE. What tariffs would that affect?

Mr. DICKEY. Westbound, general merchandise material from the Atlantic seaboard, from the factories, cotton peice goods, pianos, pianolas, and all sorts of general merchandise.

Mr. OSBORNE. I mean from St. Louis, particularly.

Mr. DICKEY. Comparatively little of it originated in St. Louis. It is nearly all through freight. A great portion of it came from east of Chicago.

Mr. OSBORNE. Then, would it go west of Kansas City?

Mr. DICKEY. The bulk of this I am describing now went into the wholesale warehouses and was disposed of to the Kansas City manufacturers. We loaded some of the raw materials up there for the manufacturers, soapmakers, and others.

The CHAIRMAN. Mr. Dickey, I believe it is generally true that there is very seldom a balanced traffic; that is to say, as much going one way as going the other. The usual conditions which prevail provide more traffic one way than the other or less one way than the other. Is not that true?

Mr. DICKEY. Yes; that is the condition. Of course, the effort of every traffic manager is to balance that traffic and to try to get a load in both directions, and that slight difference will convert a losing proposition into a profitable operation.

Mr. GRAY. In fact, it is usually smaller going downstream than coming back; is not that usually the smaller?

Mr. DICKEY. On the Mississippi River section, as Mr. Tomlinson can tell you, the loads are full down and light-up. We are full upstream and light down, just the reverse. I do not think the way the current runs has anything to do with it; it happens to be the way the

traffic moves. The big volume of traffic eastbound from Kansas City is packing-house products, grain, mill stuff, flour, alfalfa feed, and all that; and we have hauled great quantities of alfalfa going into the East and into the South. And this sweetened feed for cattle, we have hauled barge loads of it, lots of it. It is produced in our city, because they concentrate there the alfalfa that comes to be shipped; but on through shipments of commerce, we have difficulty in getting that because of the way the rates are hung. On through shipments of flour for export, we have been interfered with, eastbound, by embargoes. If you had the time and wanted to hear it—it would take some time, and I do not think you do want me to go into it—I could show you how effectually the railroads, by issuing embargoes, can interfere with and prevent the use of the water haul between Kansas City and St. Louis. Of course, during the past 18 months freight of all kinds has been congested and there have been more or less embargoes, and those embargoes would be on for a few days and then off again. But in the interim the boat line could not get the freight, or deliver to destination. Sometimes it could get out and get it to destination and then there was an embargo against its proceeding further, and so the continuous flow of business by that route was interfered with and the shippers would then get discouraged and would have to ship the other way.

The CHAIRMAN. What is the condition of your water terminal at Kansas City, and is it adequate?

Mr. DICKEY. We have a municipal water terminal at Kansas City built by the proceeds of a bond issue of the city. I would say for the present traffic it is ample. There is provision there for its extension: the city owns additional ground in that neighborhood, and it is served with two loading trucks, has a long piling wharf and concrete warehouse and traveling crane.

The CHAIRMAN. Have you sufficient transfer facilities?

Mr. DICKEY. Ample, both from the warehouse to boat and from boat to warehouse, and from train or car to the boat. As a matter of fact, a very large percentage of the traffic of the company goes in and out of that terminal by rail.

The CHAIRMAN. I was going to ask whether your terminal was connected by rail with all the railroads serving there?

Mr. DICKEY. It is. It is so designed and so built.

The CHAIRMAN. Is that connecting or belt line also owned by the municipality?

Mr. DICKEY. No; the Terminal Railway Co., which is an association of all of the railways entering Kansas City and the Missouri Pacific Railway operating in that immediate neighborhood and having access to this terminal.

The CHAIRMAN. Is this connecting line between the railroad and the terminal open to the public on equal terms?

Mr. DICKEY. It is. So is this warehouse and landing.

The CHAIRMAN. I understood that to be publicly owned by the municipality.

Mr. DICKEY. Yes, sir.

The CHAIRMAN. If there are no further questions, we will excuse you, Mr. Dickey. Thank you for coming.

Gentlemen, I understand Mr. Goltra is here this morning, and while we are on this subject I will ask Mr. Goltra if he can give us any information about the Mississippi River, the traffic there and the terminal conditions.

STATEMENT OF MR. E. F. GOLTRA, OF ST. LOUIS, MO.

Mr. GOLTRA. Mr. Chairman and gentlemen; we have arranged with the Secretary of War and the Secretary of Commerce so that next spring we will have 3 steamers of 2,000 horsepower and 19 barges of the capacity of 2,600 tons each ready for operation. On the river between South St. Louis and St. Paul, for the purpose of bringing iron ore from the Mesabi, Gogebic, Menominee, and Cuguina districts to the furnace district at St. Louis, and taking coal as a return cargo back to St. Paul. Also the arrangements embrace the installation of proper and adequate loading and unloading facilities. The traffic, of course, is there in enormous quantities, loads both ways. In fact, from my experience last year in navigating the Mississippi River and making the pioneer movement with the Government boats and barges a matter, it seems to me, that should have attention is that of dredging the channel so as to insure that there will be no interruption in the movement of this barge fleet.

Mr. KENNEDY. What will be the draft of your boats and barges?

Mr. GOLTRA. The steamers will draw $3\frac{1}{2}$ feet, with 30 hours' coal aboard. The steamers will carry from St. Louis a sufficient amount of coal to take them to St. Paul and return them without the old plan of having some barges come alongside there from which to take coal in order to have sufficient to make the trip. When the steamer is loaded with that amount of coal, Mr. Congressman, it will draw 4 feet.

Last year was the lowest stage of water that has ever obtained in the Mississippi, so far as any records disclose. I think, if my memory serves me correctly, that the gauge at St. Paul when we started to come down the river was something like 1 foot less than zero; but notwithstanding that small amount of water that was in the river, owing to the terrific drouth, and owing to the impounding reservoirs being shut off up there, we had no difficulty with the barges. But we had great difficulty, as I explained here at length, with the steamer *Nekomis*, which was a lower-river boat drawing some 6 feet or more of water. Had we had the plant which is now being materialized for the purpose, we would have come through without any difficulty whatsoever.

Mr. CLEARY. Drawing how much water, did you say?

Mr. GOLTRA. The steamer would draw 4 feet.

Mr. CLEARY. I mean when you are loaded, with full cargo?

Mr. GOLTRA. Nine feet with the greatest amount of cargo we could put on the barges; but when we are carrying 1,000 tons to the barge, which is a very good-paying load—the barges are capable in the flood-water time of the year of carrying 2,600 tons per barge.

Mr. CLEARY. How much water would they be drawing then?

Mr. GOLTRA. They would be drawing then about about 6 to $6\frac{1}{2}$ feet of water. And when the water is at its lowest stage we still will be able to carry a thousand tons per barge.

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Mr. CLEARY. How much water would that take?

Mr. GOLTRA. That would take in the neighborhood of about 4 feet 6 inches.

Now, we found on the river at various places only a scant 5 feet, and had there been dredges, proper, adequate, for the purpose at hand, they could have cut out those crossings for us and thrown that silt back again out of the channel, and we would have had good water, notwithstanding the low stage that obtained. It seems to me, Mr. Chairman and gentlemen, that you should recommend to the Congress that appropriation be made of a sufficient amount to dredge and properly dredge the river. I am satisfied that if you would sectionize the river, so to speak, into four sections, and put a large-size dredge, such as the *Alpha* or the *Beta*, that are in use below St. Louis, one on each section of the river, we would have no difficulty whatsoever in operating successfully on the upper river. And as those dredges would throw the silt back continually, the river would improve itself, and I am told by the engineers who are in charge of the river, all of them, that if that was done, there would be no question in the very lowest stage of water of having a 6-foot channel between St. Paul and St. Louis. And it seems to me—and I was talking to Gen. Black and Gen. Taylor yesterday—that we should now take hold of the matter of dredging. You do it in your harbors and you do it everywhere, and it should be done on that stretch of the river, and it would insure, I am satisfied after having taken this trip up and down, at least 6 feet of water.

Mr. SCULLY. May I ask you the dimensions of your barges?

Mr. GOLTRA. The dimensions of the barges; yes, sir. They are 300 feet long and 48 feet beam, the idea being to spread them out over the river. There is plenty of water in the river, gentlemen, but at places it is spread out all over the country, and what we want to do is to get it in one place. That is all there is to it. But we have had to build these barges on the assumption that possibly Congress would not see fit to appropriate funds for dredging the river properly. So we have spread the barges out, and they are of light draft.

The CHAIRMAN. They are of large dimensions, of course?

Mr. GOLTRA. These are the largest barges that I know of in the country, Mr. Chairman. I do not know of anything else I have to say.

The CHAIRMAN. You have discussed what the committee desired to hear, but I would like to ask just this one question: Is it your judgment when this fleet is completed for operation on the upper Mississippi that a substantial commerce will be developed?

Mr. GOLTRA. Mr. Chairman, we expect to move down 290,000 tons of ore next year and take up a corresponding amount of coal. That is only a beginning. We are putting in the furnace facilities at South St. Louis now to convert that amount of ore into pig. That gives me a thought which I expect I should impart to you. During the war a great shortage of pig iron was threatened, and the Ordnance Department asked me to undertake the putting in of additional plant facilities for the production of carburized iron at St. Louis on a large scale. The question came up about the fuel. All the coking coal was being used. And it finally was decided that we would put in these additional plant facilities provided we could find

a new source of supply that was not already being used of coking coal. I took 10,000 tons of coal from Franklin County, Ill., which is immediately across the river from St. Louis, to the Copperas By-Product Oven plant at St. Paul, after having studied that plant, and we converted that coal into coke, and I brought the coke, so converted, to St. Louis and put it through the blast furnaces that we have there now and was most agreeably surprised, as it proved itself equal to the celebrated Elkhorn Laclede coal, which is supposed to be the finest metallurgical coal in the country, and which is supposed to be superior to the coal coming from the eastern part of the country, in West Virginia. And that has considerable bearing, because we intend to put in by-product ovens at St. Louis to make our own fuel there, and we will be doing nothing more nor less in this project than bringing ore from our largest source of supply, the Mesabi Range, directly to the fuel, and when we have gotten it there, when the two raw materials have met, we will convert into pig iron and the pig iron will be right at the market.

There is no question, answering your inquiry, Mr. Chairman, directly, about the amount of tonnage that will go between St. Louis and St. Paul. It is tremendous.

I also state this: In the flood time one steamer will bring a larger tonnage of iron ore out of the Northwest than is taken by the largest steamer that operates on the Great Lakes. That is the *John I. Schuyler*. And the tool and the implement that is used in transporting costs about two-thirds of the cost of the tool that is used on the Great Lakes. You don't have to build so strongly; you don't have the heavy seas, and so on, to contend with.

The CHAIRMAN. Can you give us any information as to what Minneapolis and St. Paul are doing in connection with the construction of adequate water terminals?

Mr. GOLTRA. Yes, sir. The city of St. Paul is now engaged in putting in the terminals. They have acquired the unloading gantries from, I think, the city of New Orleans. They had more than they needed and they have purchased them and they are in course of erection at St. Paul now.

The CHAIRMAN. Have you seen their plans?

Mr. GOLTRA. I have.

The CHAIRMAN. Will they, in your opinion, be adequate for the handling of the proposed commerce from Minneapolis to St. Paul?

Mr. GOLTRA. For the start. But, of course, later on, Mr. Chairman, they will have to go to the Pig's-Eye Lake district and they will have to put in large terminals there. What they are doing now is a start and a beginning. It is adequate for this fleet that is now being materialized.

The CHAIRMAN. We are looking hopefully, Mr. Goltra, to the development of a larger commerce on the upper Mississippi, and I think you will admit, based upon past experience, that we have at times been very much discouraged regarding the water traffic on the Mississippi.

Mr. GOLTRA. Yes, sir; I admit that, Mr. Chairman. And I well recall the delightful trips that I assisted in getting up in taking Mr. Roosevelt from Keokuk to Memphis and then another trip when we took Mr. Taft from St. Louis to New Orleans. We had a delightful

time and we had most distinguished company, and everyone said we ought to do something, but nothing came of it. At that time I made up my mind I would see if something could not be done, and I suggested that we make a humble beginning and a small beginning, and Secretary Baker some time ago let me have the Government boats for making the trial, and it demonstrated thoroughly what could be done if we had the right sort of equipment; and hence this equipment which is being materialized.

Mr. CLEARY. You did not say that the boats would carry as much down the river as they would on the Great Lakes; you do not mean that, do you?

Mr. GOLTRA. Let me explain to you: You see, there will be so many barges per steamer that is moved. Now, then, the amount of tonnage that the steamer would move in those barges—the tonnage would be larger.

Mr. CLEARY. I asked that question because on the Great Lakes I understand they carry 10,000 tons in those steamers.

Mr. GOLTRA. They carry 12,000.

Mr. SCULLY. The aggregate tonnage on the Lakes would be similar?

Mr. SWITZER. Similar to the Ohio?

Mr. GOLTRA. On the Great Lakes they have a long boat, and very deep in the water, because they have plenty of water. On the Mississippi we will have a still longer boat, so to speak, made up of a number of boats fastened together, and we will have them spread out, because we have not very much channel.

The CHAIRMAN. Mr. Hawley, of Oregon, is here, and I suspect he wishes to confine his remarks entirely to some new project he is advocating. Is that correct?

Mr. HAWLEY. Yes, Mr. Chairman.

The CHAIRMAN. We will have this as a separate hearing and embrace all these projects in one hearing. The committee will be glad to hear you now, if you will take up one project at a time.

